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3 March 1962

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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

*Burma: General Ne Win, in again seizing power on 2 March, suspended the constitution and established a Union Revolutionary Council to head the government. This council, which is made up entirely of military men including the vice chiefs of staff for army, navy, and air, has announced that it will continue Burma's policy of neutralism and has called upon all civil servants to carry on as usual. [redacted] 25X1

[redacted] Rangoon is quite and businesses are operating as usual.

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[redacted] II The takeover was accomplished through a concerted sweep by Burmese Army units which in the early hours of 2 March arrested all members of the cabinet--except two who were out of town--the speakers of both houses of parliament, and the Chief Justice of the Supreme Court. The two speakers of parliament and some of the less important cabinet ministers were later reported to have been released. Prime Minister Nu, when arrested, reportedly refused to accompany officers to the war office and was placed in protective custody at his home. [redacted] 25X1

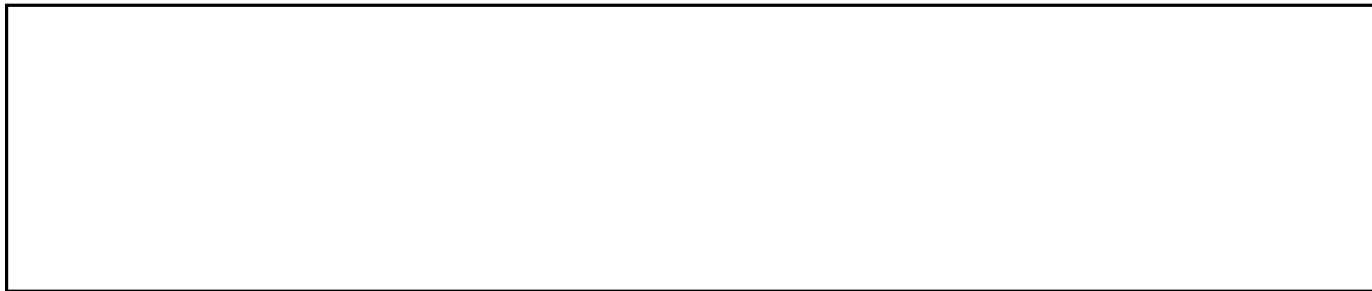
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[redacted] France-Algeria: After bombing and indiscriminate shootings of Moslems by the OAS, French troops had difficulty, on 1 and 2 March, in containing Arab mobs in Algiers and Oran intent on retaliation against Europeans. Moslem restraint, which has been urged by the PAG, appears to be breaking down. The OAS, evidently desiring to force the army to use its full resources in the protection of Europeans, can be expected to continue provocations against the Moslems. The US consul general in Algiers notes that Moslem retaliation could easily

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develop in the countryside, where PAG control is less firm and French troops have been dangerously thinned out.

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The PAG, as early as 25 February, issued a strongly worded communiqué accusing the French Army and security forces of failure to protect Moslems, and may now approach the "final" stage of negotiations determined to demand effective French action against the OAS before agreeing to a ceasefire. According to a PAG spokesman in Tunis, the PAG negotiating team will not leave there for further talks with the French before 6 March. One PAG representative went to Geneva yesterday, possibly in an effort to obtain additional satisfaction from the French on the question of Paris' determination and ability to control the French Army and Europeans in Algeria. [redacted]

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[redacted]
Cuba-NATO-Japan: The Portuguese representative to the North Atlantic Council stated on 28 February that Lisbon did not intend to cooperate in applying COCOM controls to its trade with Cuba, nor would it modify its commercial relations with Cuba. He related this stand to the positions taken by other NATO countries toward problems in Portuguese overseas territories. Portugal is the only NATO country, so far, to state flatly that it would not cooperate in the US proposals, although most others have indicated opposition to them. European NATO members' total trade with Cuba in 1961 amounted to about \$80,000,000. J

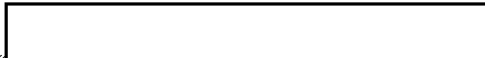
J In Japan, whose total trade with Cuba in the first nine months of 1961 came to some \$25,000,000, a Foreign Office J

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[] official has told the American Embassy that his government has "no intention" of curbing trade with Cuba unless "virtually global sanctions" are adopted. He said that Japan could not cut purchases of Cuban sugar this year since contracts were already concluded and shipping arranged. []

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[] Communist China: Postponement of Communist China's National People's Congress from 5 March is probably to permit Peiping to defer a decision on the issuance of a major policy statement on Sino-Soviet relations until after the Soviet central committee plenum, scheduled to convene this Monday. By delaying the congress, apparently to a date later this month, the Chinese would hope to assess any new Soviet challenge presented at the Moscow meeting and answer it more effectively. All current signs point to a Chinese determination to stand firm on their present policy positions, although in at least one instance in the past, deferment of the congress was associated with a sharp reversal of regime policy. The session scheduled for 1957 during Peiping's "Hundred Flowers" period was postponed twice when it became clear that liberalization had gotten out of hand and had resulted in vitriolic popular criticism of the regime. The resolutions finally adopted by the congress signaled the abrupt end to the liberalization policy. []

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[] South Korea: [] The intensification of factional struggles in the South Korean regime is reflected in a clash between Prime Minister Song Yo-Chan and Security Chief Colonel Kim Chong-pil. Song is seeking to restrict the extensive powers of Kim's Central Intelligence Agency and is charging that Kim is heavily involved in financial irregularities. Song has not produced the evidence necessary to support his charges, and the conflict is presently a standoff. Junta leader General Pak Chong-hui is attempting to resolve the clash, but may be forced to a choice. []

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[] In the initial phase of this conflict, Pak seems to have sided with the Prime Minister. The stability of the regime, however, could be threatened by the publication of evidence, considered valid by the Prime Minister, of Kim's involvement in corruption. []

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[] Pakistan-USSR [] Ayub's government has decided to take several small steps to improve relations with the USSR, ostensibly in the hope of diluting Soviet support in the UN of the Indian position on Kashmir. Such gestures will include, according to an External Affairs Ministry official, Pakistani recognition of Outer Mongolia, purchase of railway ties from the USSR, permission for visits of Soviet cultural missions, and authorization for a Pakistani agricultural team to study the salinity problem in the USSR. These moves are consistent with the policy of limited accommodation with the bloc which Ayub sanctioned in mid-1960 to ease Soviet pressures and to extract more favorable treatment from the United States as a treaty ally. Rawalpindi is aware that Moscow is unlikely to modify significantly its support for India on Kashmir, including use of the veto in the Security Council on which New Delhi relies, and probably is more interested at this time in appeasing latent neutralist sentiment in Pakistan and again reminding the US that Rawalpindi's cooperation should not be taken for granted. []

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Britain-Kenya: The Kenya constitutional talks in London, which have been going on for more than two weeks, have so far made little progress on the crucial issues which divide the African delegations. The main point of dispute is the relative strengths to be assigned under the new constitution to the central government and to regional authorities--an issue which arises out of the fear of minor Kenya tribes that they will be dominated by larger ethnic groups.

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Nevertheless, all sides are optimistic that the negotiations will ultimately produce agreement and an early date for Kenya independence.

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OAS Attempts to Prevent an Algerian Settlement

The OAS, if its present support continues, is capable of creating a situation in which a settlement could not be implemented without extensive bloodshed. Should the terms of the settlement allay the fears of the Europeans by appearing to safeguard their interests, the OAS might lose the widespread European complicity that is one of the principal sources of its strength. The OAS probably has, however, enough hard-core militants and arms--some recent estimates run as high as 20,000 automatic weapons--as well as money and food to continue guerrilla resistance to a settlement long enough to impair De Gaulle's prestige and cause strains on his regime.

The possibility of direct OAS military action against government installations in Algeria cannot be ruled out.

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The increasing use of troops instead of police in the past few days to keep Moslem mobs from attacking Europeans, however, will probably make the army less likely to obey orders to take action against Europeans.

Meanwhile, according to the press, Minister for Algerian Affairs Joxe met with a chilly reception from approximately 100 ranking officers in Algeria when he explained details of the cease-fire to them. The US air attaché in Paris also forwarded on 28 February a new report from a reliable source to the effect that the commander in chief in Algeria, General Charles Ailleret, has offered his resignation in protest against De Gaulle's persistence in withdrawing the equivalent of two army divisions at this time. Some personnel from the divisions

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began moving as early as 15 February. Continued deterioration of the security situation in Algeria, particularly if disorders spread to the countryside, may lead to Ailleret's early replacement by air force General André Martin, most often mentioned as successor. Ailleret's departure during this critical period, however, would accentuate military discontent with De Gaulle's policies.

Press reports from Tunis state that the PAG met on 2 March to discuss the deteriorating situation in Algeria rather than to make preparations for the next phase of negotiations. Other reports indicate that the PAG members are deeply pessimistic over what may happen in Algeria after a cease-fire.

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Communist China Postpones Its National Congress

Although the National People's Congress (NPC) is not a policy-making organ, it is one of the regime's most important public forums; major programs are announced and Peiping's plans and goals for the future are broadly outlined. Despite the constitutional requirement that the congress meet annually, the NPC did not convene in 1961 when economic setbacks and the ensuing confusion provided a poor setting for the customary reports of progress and aims.

The major business of the congress usually concerns domestic affairs. If this 1962 session hears reports on the budget and state plan, these may include some statistics which will show how Peiping appraises the state of its economy. Almost no economic statistics have been published for the last two years.

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[redacted] In addition to treating domestic matters the NPC traditionally hears a foreign policy report. Since November the Chinese have been grooming the party and people for the possibility of a break with Moscow. The regime has been telling the party and influential segments of the population that Moscow is to blame for China's economic problems and that Khrushchev is a revisionist. T

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[redacted] While the NPC may not reflect this anti-Soviet tone, the machinery has been set up for use if necessary to hit back at any challenge that may emerge at the Soviet party plenum; in recent commentaries the Russians have reopened the issue of factions in the international Communist movement. Khrushchev may use the issues of factions and dogmatism in his report to the Soviet plenum in a fresh assault against the Albanian leaders and, by implication, their Chinese defenders. He may also try to rebut the Chinese by deriding "Albanian" charges that his policy of peaceful coexistence generates revolutionary softness. [redacted]

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[redacted]

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Kenya Constitutional Talks

¶ So far the only real progress has been an agreement to set up committees to deal with the various aspects of Kenya's political evolution; however, the negotiators apparently have not decided on the relationship between the committees or even on an agenda for them. ¶

¶ The stumbling block has been the demand of the Kenya African Democratic Union (KADU), which represents Kenya's smaller, less sophisticated tribes, that the conference declare at the beginning in favor of giving considerable authority to regional and local governments. Jomo Kenyatta's Kenya African National Union (KANU), an alliance of the large Kikuyu and Luo tribes, reportedly is determined first to discuss the areas of agreement between the two parties, thereby postponing and partly burying the regionalism issue. Ultimately some kind of compromise seems likely, since neither side is willing to break up the conference and take the blame for prolonging Kenya's political stalemate and postponing independence. ¶

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The Deputy Under Secretary of State for Political Affairs

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